

Annual Report



promoting responsible road transport



2015



British Vehicle Rental and Leasing Association

Company Information

For the year ended 31 December 2015

HONORARY LIFE PRESIDENT FH Aldous

CHAIRMAN SC Oliphant

VICE CHAIRMAN PG Cakebread

HONORARY TREASURER BP Back

MEMBERS OF THE COMMITTEE OF MANAGEMENT

FH Aldous	BC Dilly	KS McCall
BP Back	MR Dyer	SC Oliphant
NA Bell	PA Grime	TR Porter
TP Buchan	D Hosking	RJ Schooling
PG Cakebread	JM Lawes	KM Shahbo
		R Shaw

SECRETARY & CHIEF EXECUTIVE GC Keaney

REGISTERED OFFICE

River Lodge, Badminton Court, Amersham, Bucks HP7 0DD

REGISTERED NUMBER

00924401 (England and Wales)

AUDITORS

The Fish Partnership

Chartered Accountants & Statutory Auditor
The Mill House, Boundary Road, Loudwater, High Wycombe,
Bucks HP10 9QN

Contents

3	Chairman's Introduction
4	Chief Executive's Comment
6	Committee of Management Report
8	Auditors' Report
11	Consolidated Income and Expenditure Account
12	Consolidated Balance Sheet
13	Company Balance Sheet
14	Notes to the Consolidated Financial Statements

What We Do

Established in 1967, the British Vehicle Rental and Leasing Association is the UK trade body for companies engaged in the rental and leasing of cars and commercial vehicles. Its members operate a combined fleet of nearly 4.5 million cars, vans and trucks.

By consulting with government and maintaining industry standards, the BVRLA helps its members deliver safe, sustainable and affordable road transport to millions of consumers and businesses.

Contact Us

BVRLA
River Lodge
Badminton Court
Amersham
Buckinghamshire HP7 0DD

Tel 01494 434747
Fax 01494 434499
Email info@bvrla.co.uk
Web www.bvrla.co.uk



2015: a year of healthy growth

THE VEHICLE RENTAL AND leasing industry is in fine health. We have a robust economic outlook, transport is rising up the political agenda and a new generation of personal and SME customers are turning to rental and leasing as an alternative to vehicle ownership.

This was reflected in what was a very strong year for the BVRLA. As of the end of 2015, your association had 780 members – an increase of 10% on the year before. These members are now operating 4.47 million vehicles, with significant rises in the number of cars and vans leading to a 16% growth in the overall fleet size. In particular, there have been large increases among consumers and small businesses, with 35% more cars being operated on personal contract hire agreements at the end of 2015 compared with the beginning of the year.

While personal leasing is on the increase, corporate leasing is under attack. An increasingly punitive range of taxation measures is driving people out of their traditional company cars and into less structured and less managed arrangements.

This is not just to the detriment of our sector. Policymakers need to acknowledge the vital contribution that the vehicle rental and leasing industry makes to the wider economy and society as a whole. BVRLA members operate the cleanest, safest, most fuel-efficient vehicles on UK roads, and are early adopters of much of the new automotive technology that promises to tackle the major transport challenges of air quality, congestion and safety.

As an industry, we have seen three powerful trends – electrification, the sharing

economy, and connected and autonomous vehicles – which are reshaping the future of transportation.

Looking forward, the growth of these trends will depend on the right environment.

We are working with Whitehall officials to ensure they set the right regulatory frameworks. We need to work with the vehicle manufacturers to end up with technology that is fit for purpose. In addition, we continue to work with our members to identify the business models that will see our sector continue to thrive.

Rest assured, we will continue to put your interests at the heart of our activities in the year ahead. ❖

Simon Oliphant

**BVRLA CHAIRMAN
AND CHAIRMAN OF HITACHI
CAPITAL VEHICLE SOLUTIONS**



Gerry Keaney: addressing attendees at the BVRLA Industry Conference 2015 – the largest of the association's information-sharing events.

Change is coming, ready or not

THE VEHICLE RENTAL AND leasing sector faces an unprecedented level of change over the next few years.

We are at the beginning of a technological revolution that is presenting some exciting opportunities to develop new business models and expand our industry's customer base.

At the same time we face some real challenges as we deal with a deluge of disruptive new digital competitors and get to grips with our new data-driven world.

The BVRLA is working hard to ensure that its members can thrive in this new environment. Thanks to the solid platform the association has established – which you can read more about

later on in this report – we have been able to invest in a number of areas.

The first of these is our new customer relationship management (CRM) system. We are in the final stages of developing this vital tool, and believe it will streamline our business processes, make our member communications more relevant, and result in a more productive, proactive and professional service for our ever-growing family of members.

Our new Code of Conduct and governance regime will produce similar benefits for members going forward. A huge amount of effort has gone into obtaining feedback, defining key requirements and

fine-tuning these over the past 18 months. The end result is a much stronger and more transparent set of self-regulatory standards and a quality benchmark that members can be proud of. These are essential tools for the BVRLA and its members as we look to maintain the industry's credibility and reputation under the ever-closer scrutiny of regulators, enforcement agencies and consumer bodies.

The BVRLA logo and the professional standards behind it can also be a powerful marketing tool. This is why we will look to raise our profile in 2016 and ensure that more consumers are aware of the benefits of choosing to rent or lease from a BVRLA member. We are also investing



Lively discussion: expert speakers and Q&A sessions kept members informed about technological and regulatory developments.

in groundbreaking research to help identify new market opportunities for the services you offer.

Looking further ahead, 2017 is the BVRLA's Golden Anniversary. Plans are well under way for an inclusive, member-focused celebration of the last 50 years, but of course we will also look ahead to the next half-century.

We are confident that we have a solid platform in place to meet the current and future needs of our members and thank them for their continued trust and support. ❖

Gerry Keaney
BVRLA CHIEF EXECUTIVE

We are at the beginning of a technological revolution that is presenting some exciting opportunities to develop new business models



Committee of Management Report

The members of the committee present their report with the financial statements of the company and the group for the year ended 31 December 2015.

Principal activity

The principal activity of the group in the year under review was that of the representation of members involved in the provision of vehicle rental, leasing, contract hire and fleet management services.

Members of the Committee

The members of the committee shown below have held office during the whole of the period from 1 January 2015 to the date of this report:

FH Aldous
BP Back
TP Buchan
PG Cakebread
BC Dilly
MR Dyer
PA Grime
KS McCall
SC Oliphant
TR Porter
RJ Schooling
R Shaw

Other changes in members of the committee holding office are as follows:

K Allen	resigned 21 May 2015
V Hudson	resigned 10 June 2015
M Nigro	resigned 20 August 2015
MJ Servodidio	resigned 20 August 2015
NL Cunningham	resigned 19 November 2015
D Hosking	appointed 10 June 2015
NA Bell	appointed 20 August 2015
JM Lawes	appointed 20 August 2015
KM Shahbo	appointed 20 August 2015

No members of the committee received any remuneration during the year from the company. In accordance with the Articles of Association, one-third of the members retire and, being eligible, offer themselves for re-election.

Charitable contributions

During the year the company made charitable donations of £20,000 to BEN, the automotive industry benevolent fund (2014 : £20,000).

Responsibilities of the members of the Committee of Management

The members of the committee are responsible for preparing the Committee of Management Report and the financial statements in accordance with applicable law and regulations.

Company law requires the members of the committee to prepare financial statements for each financial year. Under that law the members of the committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit of the group for that period. In preparing these financial statements, the members of the committee are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and accounting estimates that are reasonable and prudent;
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The members of the committee are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the members of the committee are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each member of the committee has taken all the steps that he or she ought to have taken as a member of the committee in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, The Fish Partnership, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



GC Keane
SECRETARY AND CHIEF EXECUTIVE
18 FEBRUARY 2016

Auditors' Report

This is the report of the independent auditors to the members of the British Vehicle Rental and Leasing Association Limited.

We have audited the financial statements of British Vehicle Rental and Leasing Association Limited for the year ended 31 December 2015 on pages 11 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members of the committee and auditors

As explained more fully in the statement of the Responsibilities of the members of the Committee of Management, set out on page seven, the members of the committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members of the committee; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Committee of Management Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's surplus for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Committee of Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the parent company financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of Committee of Management members' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit; or
- ▶ the members of the committee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Committee of Management Report.

Martin Sheehy

SENIOR STATUTORY AUDITOR

FOR AND ON BEHALF OF:

**The Fish Partnership
Chartered Accountants & Statutory Auditor
The Mill House, Boundary Road
Loudwater
High Wycombe
Bucks HP10 9QN**

18 February 2016



Consolidated Income & Expenditure Account

Year ended 31 December 2015		2015	2014
	NOTES*	£	£
Turnover		2,173,815	1,974,831
Cost of sales		324,500	323,530
Gross surplus		1,849,315	1,651,301
Administrative expenses		1,645,929	1,439,207
Operating surplus	2	203,386	212,094
Interest receivable and similar income		42,800	32,702
Surplus on ordinary activities before taxation		246,186	244,796
Tax on surplus on ordinary activities	3	633	(1,561)
Surplus for the financial year for the group		245,553	246,357

* The notes on pages 14 to 19 form part of these financial statements

Consolidated Balance Sheet

31 December 2015

2015

2014

	NOTES*	£	£	£	£
Fixed assets					
Tangible assets	5		327,202		331,988
Investments	6		—		—
			327,202		331,988
Current assets					
Debtors	7	389,204		263,619	
Cash at bank and in hand		3,352,601		3,084,720	
		3,741,805		3,348,339	
Creditors					
Amounts falling due within one year	8	930,311		787,817	
Net current assets			2,811,494		2,560,522
Total assets less current liabilities			3,138,696		2,892,510
Provisions for liabilities	10		2,652		2,019
Net assets			3,136,044		2,890,491
Reserves					
Income and expenditure account	11		3,136,044		2,890,491
			3,136,044		2,890,491

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the members of the Committee of Management on 18 February 2016 and were signed on its behalf by:

SC Oliphant
Chairman



BP Back
Honorary Treasurer



* The notes on pages 14 to 19 form part of these financial statements

Company Balance Sheet

31 December 2015

2015

2014

	NOTES*	£	£	£	£
Fixed assets					
Tangible assets	5		327,202		331,988
Investments	6		1		1
			327,203		331,989
Current assets					
Debtors	7	321,247		226,143	
Cash at bank and in hand		3,348,187		3,050,908	
		3,669,434		3,277,051	
Creditors					
Amounts falling due within one year	8	1,746,192		1,519,026	
Net current assets			1,923,242		1,758,025
Total assets less current liabilities			2,250,445		2,090,014
Provisions for liabilities	10		2,652		2,019
Net assets			2,247,793		2,087,995
Reserves					
Income and expenditure account	11		2,247,793		2,087,995
			2,247,793		2,087,995

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the members of the Committee of Management on 18 February 2016 and were signed on its behalf by:

SC Oliphant
Chairman



BP Back
Honorary Treasurer



* The notes on pages 14 to 19 form part of these financial statements

Notes

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2015

1 Accounting Policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the income and expenditure account after or up to the date that control passes respectively. As a consolidated income and expenditure account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Subscriptions income and income from the sale of goods and services are included in the financial statements on the basis of amounts receivable for the year, net of Value Added Tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property:	2% on cost
Fixtures and fittings:	20% on cost
Computer equipment:	25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Related parties transactions

The company has taken advantage of the exemption conferred under Financial Reporting Standard No 8 not to disclose details of the transactions or balances between Group entities which have been eliminated on consolidation.

2 Operating Surplus

The operating surplus is stated after charging:

Depreciation – owned assets
Auditors' remuneration
Pension costs
Remuneration and other benefits, etc, to members of the Committee of Management

2015	2014
£	£
14,434	18,294
6,000	6,100
71,124	42,429
—	—

3 Taxation

Analysis of the tax charge/(credit)

The tax charge/(credit) on the surplus on ordinary activities for the year was as follows:

	2015	2014
	£	£
Deferred tax	633	(1,561)
Tax on surplus on ordinary activities	633	(1,561)

Factors affecting the tax charge/(credit)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.

The difference is explained below:

	2015	2014
	£	£
Surplus on ordinary activities before tax	246,186	244,796
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014: 20%)	49,237	48,959
Effects of:		
Expenses not deductible for tax purposes	786	1,925
Capital allowances for period in excess of depreciation	833	3,159
Unrelieved tax losses of previous periods	36,728	34,074
Mutual trading profits	(87,584)	(88,117)
Current tax charge/(credit)	—	—

4 Surplus of Parent Company

As permitted by Section 408 of the Companies Act 2006, the Income and Expenditure Account of the parent company is not presented as part of these financial statements. The parent company's surplus for the financial year was £159,798 (2014: £186,593).

5 Tangible Fixed Assets

GROUP	Freehold property	Fixtures & fittings	Computer equipment	Totals
	£	£	£	£
COST				
At 1 January 2015	477,431	80,959	151,404	709,794
Additions	—	1,383	8,265	9,648
At 31 December 2015	477,431	82,342	159,669	719,442
DEPRECIATION				
At 1 January 2015	153,800	76,391	147,615	377,806
Charge for year	7,469	2,294	4,671	14,434
At 31 December 2015	161,269	78,685	152,286	392,240
NET BOOK VALUE				
At 31 December 2015	316,162	3,657	7,383	327,202
At 31 December 2014	323,631	4,568	3,789	331,988

COMPANY	Freehold property	Fixtures & fittings	Computer equipment	Totals
	£	£	£	£
COST				
At 1 January 2015	477,431	80,959	151,404	709,794
Additions	—	1,383	8,265	9,648
At 31 December 2015	477,431	82,342	159,669	719,442
DEPRECIATION				
At 1 January 2015	153,800	76,391	147,615	377,806
Charge for year	7,469	2,294	4,671	14,434
At 31 December 2015	161,269	78,685	152,286	392,240
NET BOOK VALUE				
At 31 December 2015	316,162	3,657	7,383	327,202
At 31 December 2014	323,631	4,568	3,789	331,988

The value of non-depreciable freehold land was estimated at 31 December 1996 at £70,000, as no split of the purchase price of the new office building was available.

6 Fixed Asset Investments

COMPANY	Shares in group undertakings
	£
COST	
At 1 January 2015 and 31 December 2015	1
NET BOOK VALUE	
At 31 December 2015	1
At 31 December 2014	1

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

BVRLA Services Limited

Country of incorporation: England

Nature of business: Provision of member services

CLASS OF SHARES

Ordinary shares

% HOLDING

100.00

7 Debtors: Amounts Falling Due Within One Year

	GROUP		COMPANY	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	230,021	120,182	166,960	84,790
Other debtors	159,183	143,437	154,287	141,353
	<u>389,204</u>	<u>263,619</u>	<u>321,247</u>	<u>226,143</u>

8 Creditors: Amounts Falling Due Within One Year

	GROUP		COMPANY	
	2015 £	2014 £	2015 £	2014 £
Bank loans and overdrafts	191,671	163,526	191,671	163,526
Trade creditors	89,935	38,811	87,666	38,811
Amounts owed to group undertakings	—	—	1,031,506	953,520
Taxation and social security	27,557	25,081	27,557	25,081
Other creditors	621,148	560,399	407,792	338,088
	<u>930,311</u>	<u>787,817</u>	<u>1,746,192</u>	<u>1,519,026</u>

9 Operating Lease Commitments

GROUP	2015 £	2014 £
Within one year	8,293	9,083
Between one and five years	6,684	16,291
	<u>14,977</u>	<u>25,374</u>

COMPANY	2015 £	2014 £
Within one year	8,293	9,083
Between one and five years	6,684	16,291
	<u>14,977</u>	<u>25,374</u>

10 Provisions for Liabilities

	GROUP		COMPANY	
	2015 £	2014 £	2015 £	2014 £
Deferred tax	2,652	2,019	2,652	2,019

GROUP	Deferred tax	COMPANY	Deferred tax
	£		£
Balance at 1 January 2015	2,019	Balance at 1 January 2015	2,019
Movement in year	633	Movement in provision	633
Balance at 31 December 2015	<u>2,652</u>	Balance at 31 December 2015	<u>2,652</u>

A deferred tax asset of £176,746 (2014 : £140,018) in respect of trading losses carried forward of £883,731 (2014 : £700,091) has not been recognised as it is not known when these losses will be utilised.

A deferred tax asset of £12,069 (2014 : £12,069) in respect of capital losses, arising on the disposal of investments, carried forward of £60,343 (2014 : £60,343) has not been recognised as the availability of future gains against which to relieve it are not assured beyond reasonable doubt.

11 Reserves**GROUP****Income and
expenditure
account**

	£
At 1 January 2015	2,890,491
Surplus for the year	245,553
At 31 December 2015	3,136,044

COMPANY**Income and
expenditure
account**

	£
At 1 January 2015	2,087,995
Surplus for the year	159,798
At 31 December 2015	2,247,793

12 Pension Commitments

During the year the group made contributions of £71,124 (2014 : £42,429) into the defined contribution personal pension schemes of the secretarial staff. The assets of those schemes are held separately from those of the group in independently administered funds. The pension cost charged represents contributions payable to those funds.

13 Company Limited by Guarantee

The company is limited by guarantee and does not have share capital.

British Vehicle Rental and Leasing Association Ltd

River Lodge, Badminton Court, Amersham, Buckinghamshire HP7 0DD

Tel 01494 434747 **Fax** 01494 434499 **Email** info@bvrla.co.uk **Web** www.bvrla.co.uk

 [@bvrla](https://twitter.com/bvrla)



Find us under BVRLA